

Commodity Futures Trading Commission
CEA CASES

NAME: ROBERT E. O'GRADY, CARL D. LEAVEN, LEONARD B. FELDMAN, DONALD T. BARCLAY, TIME TRADING CO., AND RITTENHOUSE INVESTMENTS, INC.

DOCKET NUMBER: 184

DATE: SEPTEMBER 10, 1971

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Robert E. O'Grady, Carl D. Leaven, Leonard B. Feldman, Donald T. Barclay, Time Trading Co., and Rittenhouse Investments, Inc., Respondents

CEA Docket No. 184

Complaint and Notice of Hearing Under the Commodity Exchange Act

There is reason to believe that the respondents have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto, and this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

(a) Respondent Robert E. O'Grady, an individual whose address is 100 North La Salle Street, Fourth Floor, Chicago, Illinois 60602, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act and a member of the Chicago Mercantile Exchange.

(b) Respondent Carl D. Leaven, an individual whose address is 100 North La Salle Street, Fourth Floor, Chicago, Illinois 60602, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act and a member of the Chicago Mercantile Exchange.

(c) Respondent Leonard B. Feldman, an individual whose address is 110 North Franklin Street, Room 421, Chicago, Illinois 60606, is now, and was at all times material herein, a registered floor broker under the Commodity Exchange Act, a member of the Chicago Mercantile Exchange, and a general partner in respondent Time Trading Co.

(d) Respondent Donald T. Barclay, an individual whose address is 10615 South Seeley Street, Chicago, Illinois 60643, was at all times material herein, a registered floor broker under the Commodity Exchange Act, a member of the Chicago Mercantile Exchange, and president of respondent Rittenhouse Investments, Inc.

(e) Respondent Time Trading Co., a partnership whose address is 110 North Franklin Street, Chicago, Illinois 60606, is now, and was at all times material herein, a clearing member of the Chicago Mercantile Exchange and a registered futures commission merchant under the Commodity Exchange Act.

(f) Respondent Rittenhouse Investments, Inc., a corporation whose address is 10615 South Seeley Street, Chicago, Illinois 60643, was at all times material herein, a clearing member of the Chicago Mercantile Exchange, and is now, and was at all times material herein, a registered futures commission merchant under the Commodity Exchange Act.

II

The Chicago Mercantile Exchange is now, and was at all times material herein, a duly designated contract market under the Commodity Exchange Act. The transactions referred to in this complaint relate to the purchase and sale of pork belly futures contracts on the exchange. Such contracts could have been used for hedging transactions in interstate commerce in pork bellies or the products or by-products thereof, or for determining the price basis of transactions in interstate commerce in pork bellies, or for delivering pork bellies sold, shipped, or received in interstate commerce.

III

On December 15, 1969, the respondents entered into the transactions in pork belly futures specified in the tabulation below, which transactions were wash sales or were of the character of wash sales. In entering into the said transactions, the respondents acted pursuant to, and in accordance with, an understanding or arrangement that reciprocal and offsetting purchases and sales would be made at specified prices whereby a profit of \$ 19,500.00 would be reported to respondent Barclay's account and a loss of the same amount would be reported to respondent Feldman's account.

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Buying Broker	Customer	Quantity (No. of contracts)	(1970) Future	Price
Leaven	Barclay	50	February	\$ 43.30
O'Grady	Barclay	50	March	42.70
O'Grady	Feldman	50	February	43.95
Leaven	Feldman	50	March	43.35
Buying Broker	Selling Broker	Customer	Time	Spread Difference
Leaven	O'Grady	Feldman	12:24	60 points
O'Grady	Leaven	Feldman	12:24	60 points
O'Grady	Leaven	Barclay	12:26	60 points
Leaven	O'Grady	Barclay	12:26	60 points

IV

By reason of the facts set forth in this complaint, the respondents: (1) entered into transactions which were, or were of the character of, wash sales and fictitious sales, in wilful violation of section 4c of the Commodity Exchange Act (7 U.S.C. 6c); and (2) executed purchases and sales of commodities for future delivery in a manner which was not open and competitive, in wilful violation of section 1.38 of the regulations issued under the Act (17 CFR 1.38).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the respondents and this proceeding shall be governed by sections 0.1, 0.2, 0.4(b), 0.5 through 0.22 and 0.28 of the rules of practice under the Commodity Exchange Act (17 CFR 0.1, 0.2, 0.4(b), 0.5 through 0.22, 0.28). The respondents will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and three copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purposes of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted

likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing

will be held at 10:00 a.m., local time, on November 10, 1971, in Chicago, Illinois, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing, the respondents will have the right to appear and show cause, if any there be, why an appropriate order should not be issued in accordance with the Commodity Exchange Act, (1) suspending or revoking the registrations of respondents O'Grady, Leaven and Feldman as floor brokers, (2) suspending or revoking the registrations of respondents Time Trading Co. and Rittenhouse Investments, Inc., as futures commission merchants, (3) prohibiting the respondents from trading on or subject to the rules of any contract market, and directing that all contract markets refuse all trading privileges to the respondents for such period of time as may be determined, and (4) directing that the respondents shall cease and desist from violating the Act and regulations in the manner alleged herein.

It is ordered that this complaint and notice of hearing be served on the respondents at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

Sept 10, 1971

[SEE SIGNATURE IN ORIGINAL]

Richard E. Lyng

Assistant Secretary

LOAD-DATE: June 16, 2008

